

# Vision - Smart Growth Initiative

"We have an opportunity to do some things that have never been done before. We have an opportunity to live in the downtown area where you have not only mixed use but where you have many different nationalities that live side by side, in harmony, and that is the smartest growth that we could have.

*James Geter, Eagle Market Streets Development Corporation; speaking on Smart Growth*

## Introduction

Smart Growth is a planning concept that links growth patterns to fiscal, environmental, and social resources. As planning

concepts go, Smart Growth is relatively new, but it is enjoying strong public acceptance and has become the growth management planning policy for many local governments and several states.

Smart Growth is derived from the earlier concept of "sustainability," so it is helpful to first understand sustainability in order to understand Smart Growth. The most commonly quoted definition of sustainability was established by the United Nations World Commission on Environment and Development; under this definition, sustainability is development that "... meets the needs of the present without compromising the ability of future generations to meet their needs." Another way to define sustainability is a balancing of economic objectives, social goals, and environmental resources in a way that works for

both present and future generations. When one of these factors is weighted more heavily than the others, balance is not achieved and sustainability is not attained. Smart Growth occurs when the development pattern is sustainable – i.e., when the physical growth of the community allows the economy, the social and cultural goals, and the natural resources to be in a state of balance.

Smart Growth is often best understood when contrasted with its alternative – sprawl. Sprawl development occurs when local, state and federal governments allow or promote development to occur only in reaction to market forces. Since World War II, the sprawl development pattern has dominated growth management policies and practices across the United States. In many cases, sprawl development has been promoted by government decisions to extend streets and highways, water and sewer lines, and other public infrastructure into the countryside to support or attract new development. More often than not, this public investment fails to pay for itself, creating a development pattern that is expensive to serve, requires continual maintenance of the infrastructure and natural envi-



ronment to support it (and is therefore not sustainable), and ultimately becomes inconvenient for residents and employees. A local example can be found in the effects of the policy decisions of the Water Authority of Asheville, Buncombe and Henderson Counties. These policies have led to the extension of water lines to areas that are hard to serve due to their distance from the main sources of water distribution, to developments that are very low-density in nature and therefore expensive to serve on a per customer basis, and to relatively undeveloped areas in an attempt to attract new development to those areas. Partially as a result of these policies, the Water Authority provides the most expensive water in the state.

As mentioned earlier, sprawl development ultimately proves to be inconvenient to the end-user of the development pattern – the residents and employees of the development. People move to the little subdivision in the country because they appreciate the open space and rural environment. Over time, more subdivisions are built, and the character of the area changes: traffic increases, schools have to be built, and small businesses spring up along

#### **Smart Growth Land Use Policies**

Adopted by the Asheville City Council; 2000

1. Mixed use developments and buildings should be encouraged.
2. Compatible, higher density commercial and residential infill development should be encouraged.
3. New development should promote a sustainable land development pattern.
4. Traditional neighborhood development patterns should be recognized and encouraged.
5. Discretionary block grant and local funding for affordable housing and economic development should be used to support a Smart Growth development pattern.
6. Industrially-zoned land should be reserved for industrial uses.
7. Areas with steep slopes and environmentally sensitive areas should be identified and preserved while allowing alternatives to development that protect private property rights.
8. Existing neighborhoods near Downtown Asheville should be strengthened through infill development, housing rehabilitation, proactive enforcement of zoning and building standards, and housing code enforcement.
9. City staff is directed to develop new zoning tools and use existing zoning tools to promote compatible land use projects, protect industrial and environmentally-sensitive land, and allow flexibility in site design to achieve the above policies. These tools may include revision of subdivision regulations to incorporate traditional neighborhood and conservation development practices, as well as continuing existing innovative regulations such as our accessory apartment code provisions. Additionally, capital projects and economic development incentive funding should be supportive of a Smart Growth development pattern where appropriate.

"The opportunity for people to have choices is key."

Gene Bell, Housing Authority; speaking on Smart Growth

the road creating land use compatibility problems for the subdivisions. At some

point, the two-lane road that served the little subdivision has to be widened to support all the other subdivisions, the schools and the businesses. Widening is expensive because there were never plans to widen the country road and some houses and businesses in the area have to be condemned in order to get the road widened. The Riceville Road area in Buncombe County just east of Asheville is a good example of how a sprawl development pattern will ultimately become inconvenient for the residents; when more development occurs there and Riceville Road has to be widened to four lanes, the rural character of the area will be lost forever.

*"The reality is that sprawl will prevail . . . the alternative of substantially raising densities in existing neighborhoods will be decisively rejected by NIMBY-oriented residents there. As long as power over land use decisions and housing location remains totally in the hands of local governments, their continued support of exclusionary*

*local zoning rules will dominate future urban policy."* Anthony Downs; "Can Transit Tame Sprawl?," *Governing*, January, 2002

As Brookings Institution researcher and social commentator Anthony Downs' bleak assessment indicates, the habits that support sprawl development patterns are hard to break. Public misunderstanding and resistance to density issues, desires of property owners to turn their farms into subdivisions and mobile home parks, and the resulting pressures on political will all create challenges to the Smart Growth movement. The heated zoning discussion in Buncombe County is a local example of the battleground for more sustainable development patterns.

Taking a bold leadership role, the Asheville City Council recognized the problems of sprawl development and adopted a Smart Growth definition and 18 land use and transportation policies in the summer of 2000. Since that time, development proposals, City capital projects, and development regulations have been evaluated and revised to achieve consistency with that definition and those



policies. Some of the many successes that support this Smart Growth effort include:

- Neighborhood Corridor District
- Urban Residential District
- Flexible Development Standards
- Traffic Calming Program
- Edgewood Crossing Infill Project
- Azalea Road Park
- Affordable Housing Trust Fund
- ETJ Extension and Zoning
- I-26 Connector Public Input Process
- WECAN Neighborhood Plan
- Pack Square Renaissance

Asheville's definition of Smart Growth takes into account local conditions, fiscal accountability, the City's role in the region, and expected population growth. It also recognizes that Smart Growth must be manifested in the development pattern of the community as well as in City policies, projects, and regulations.

*Smart Growth is a City of Asheville development pattern that makes efficient use of our limited land, fully utilizes our urban services and infrastructure, promotes a wide variety of*

### **Smart Growth Transportation Policies**

Adopted by the Asheville City Council; 2000

1. Where feasible, new development projects should be designed to connect to the existing street network at multiple points; cul-de-sac development and gated communities should be avoided except where unreasonable due to topographical conditions or inadequacy of some surrounding roadways to handle the volume and/or type of traffic generated by the development project.
2. Strongly encourage improvements that make Asheville a premier walking and biking community, including the use of evaluative and regulatory tools and capital improvements.
3. Implementation of various projects from the City's Bicycle and Pedestrian Plan should be implemented on a priority basis as funding allows.
4. Where possible, multimodal transportation interconnectivity between neighborhoods and to destination areas such as parks and neighborhood shopping locations should be encouraged.
5. New development projects should incorporate mass transit features where appropriate.
6. Improvements to the transit system should be completed in accordance with the established capital improvement program.
7. The traffic-carrying capacity of existing arterials and highways should be carefully monitored and maintained at acceptable levels of service.
8. Efforts to reduce or eliminate traffic problems through closure of existing streets or otherwise disrupting an established street network should be avoided; traffic calming measures intended to improve the compatibility of traffic with neighborhood conditions while maintaining the street network are the most appropriate methods to address these types of traffic problems.
9. City staff is directed to use new and existing zoning tools, the City's capital improvement program (CIP), grants and other means to achieve the above policies.

"I firmly believe it is time to change our culture, time to adopt a new ethos: We will work hard to sustain our incredible economic growth. We will preserve the beauty of our nation and we will protect our environment. And we will do so through land preservation, quality design, and support for our traditional communities, and solid long-range planning. If we do that, we can improve the quality of life for our citizens now and, more importantly, for our children's children."

Maryland Governor Parris Glendening; Solving Sprawl;  
National Resources Defense Council; 2001

*and effectively serves a significant portion of the future population growth of Buncombe County and Western North Carolina, protects the architectural and environmental character of the City through compatible, high quality, and environmentally-*

*sensitive development practices, and recognizes the City's role as a regional hub of commerce and employment. Inherent to this definition is the need to implement Smart Growth through comprehensive, consistent and effective policies, regulations, capital projects and incentives.*

The above definition has served as the philosophical basis for **Asheville City Development Plan 2025**.



## American Planning Association Policy Guide on Smart Growth — Draft

Smart Growth is the planning, design, development and revitalization of communities to promote a sense of place, the preservation of natural and cultural resources, and the equitable distribution of the costs and benefits of development. Smart Growth enhances ecological integrity over the short and long term and improves quality of life by expanding the range of transportation, employment, and housing choices in the region in a fiscally responsible manner.

Compared to prevalent development practices, Smart Growth seeks to refocus a larger share of regional growth within central cities and inner suburbs. Simultaneously Smart Growth seeks to reduce the share of growth that occurs on newly urbanized land or in environmentally sensitive areas while making efficient infrastructure investments.

Core principles of Smart Growth include the following:

- A recognition that every level of government, federal, state, regional and local, plays an important role in adopting and implementing policies that support Smart Growth.
- A regional view of community developed through regional planning process and implementation. Smart Growth recognizes the interdependence of neighborhoods and municipalities in a metropolitan area and promotes balanced, integrated regional development.
- Integration of land use and transportation planning to

provide increased transportation choices. Transportation planning should include alternatives to the automobile, such as public transportation, bicycles and walking. Development must be pedestrian friendly. Land use planning must support the success of non-automotive transportation modes.

- Efficient use of land and infrastructure. Efficient land use results from compact building, infill development and reducing the amount of land needed to satisfy street and parking standards. Efficient use of public and private infrastructure starts with creating neighborhoods that maximize the use of existing infrastructure. In areas of new growth, roads, sewers, water lines, schools and other infrastructure should be planned as part of overall growth and investment strategies. Regional cooperation for large infrastructure investments is required to avoid inefficiency and redundancy.

- A greater mix of uses and housing choices in neighborhoods and communities focused around human-scale, mixed use centers accessible by multiple transportation modes. Mixed-use developments include a housing, varied by type and prices, integrated with commercial development and places of employment.

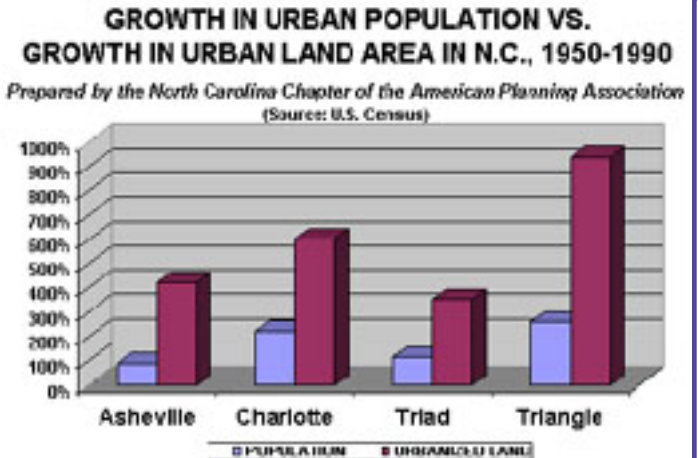
- Human-scale design, compatibility with the existing urban context, and quality construction contribute to successful compact, mixed-use development and also promote privacy, safety, visual coherency and compatibility among uses and users.

- Protection of environmental and cultural resources: Smart Growth protects the natural processes that sustain life, preserves agricultural land, wildlife habitat, and

cultural resources; integrates ecological system into the fabric of development; encourages innovative stormwater management; is less consumptive and more protective of natural resources; and ensures air quality and water quality and quantity for future generations.

- Planning processes and regulations at multiple levels that promote diversity, equity and Smart Growth principles. Local governments have long been principal stewards of land and infrastructure resources through their guidance of land-use policy. Smart Growth respects that tradition and recognizes the important leadership and partnership role that Federal and State governments play in the advancing Smart Growth principles among local governments.

- State and federal policy structure and programs that supports compact development and land conservation. Governmental programs and policies have in many cases contributed to the problem of sprawl. These policies and programs need to be re-examined and replaced with programs and policies that support Smart Growth, including cost effective incentive-based investment programs that target growth-related expenditures to locally designated areas.





## Smart Growth - Across the Country

"We shape our buildings; thereafter, they shape us."

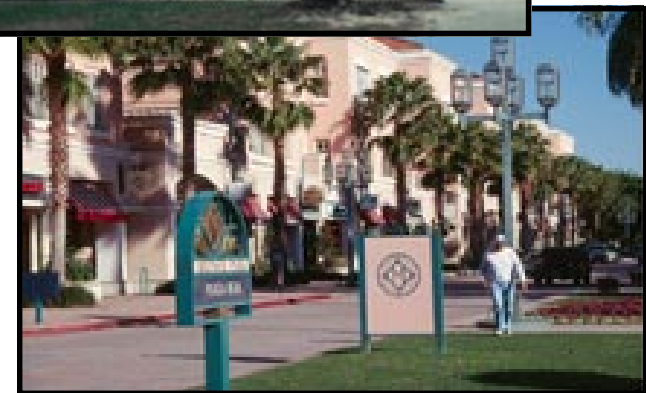
*Sir Winston Churchill, Quoted in Time Magazine  
(from The City; James A. Clapp)*

- Increased citizen participation in all aspects of the planning process and at every level of government

to ensure that planning outcomes are based in collective decision making. We have been undergoing a profound demographic transformation. Responding to our ethnically diverse society is essential to our well being as a whole and to developing the social capital necessary for shaping thriving, vibrant neighborhoods and communities. We need to design comprehensive strategies to engage meaningful participation in planning processes, to find common ground for shared decision-making by all citizens, and to ensure community equity in the distribution of resources.

Beyond these core principles, Smart Growth may vary from place to place and region to region. Specific Smart Growth practices that work in one region may not work in other regions.

American Planning  
Association



## Smart Growth - Charlotte Area



## Smart Growth - Tryon, NC

Would this two story house fit in your neighborhood?



It actually contains six residential units. Note the six meter electrical box.





## Smart Growth - Asheville

"Both the neighborhoods and the development community have to open their minds to a new vision for this City. If it's a quality neighborhood you want, with a school your children can walk to, a little corner grocery store where you can buy your coffee at, a safe place for the children to play, you have to develop that, you have to create that. If, as a development community, you want an open environment for new development to occur, you want some certainty under which you will be able to operate, you want a green light for development, then you have to come up with a vision that fits with the community standards. Neither of those things happen by maintaining the status quo. The neighborhoods and the development community want something better and we have to create the right environment for that to happen."

*Chuck Tessier; Commercial Realtor*

North Asheville



North Asheville



Montford



Biltmore Park

## Transportation Vision

Transportation planning addresses the relationship between land use and travel demand and patterns. The two primary purposes of the transportation system are to provide mobility of goods and people, in addition to providing access to property. The magnitude of access is directly correlated to the type and intensity of land use. There is a close relationship between land use and transportation. Moreover, transportation planning deals with the programming and evaluation of transportation facilities alternatives, including roadways, transit, parking, pedestrian facilities, and bikeways. The long-range planning process presents the Asheville community with an opportunity to visualize Asheville's future urban form and associated transportation facilities.

The automobile has provided personal mobility to Americans that was unimaginable to its early designers. It has also had a profound effect on the land use patterns of the United States and the City of Asheville. Today, however, this sprawling land use pattern contributes to traffic congestion and air pollu-

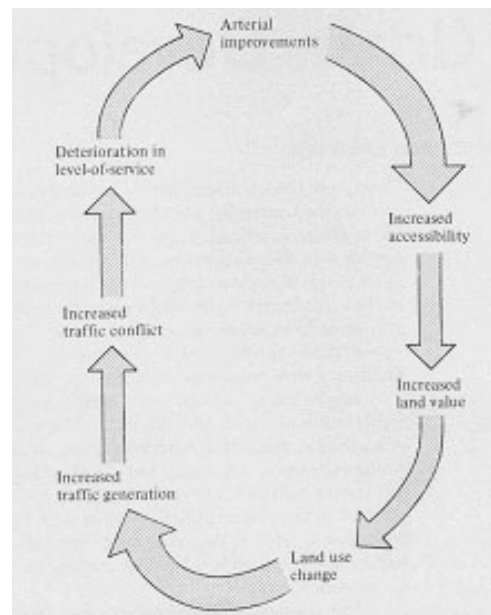
tion. We are learning that simply constructing more and wider roads is not the only solution to these problems, as noted in the following paragraphs. These problems require a balanced approach--adding a new focus on development patterns, transportation demand management, transit, bicycling, and walking to road building will maximize our potential for long-term success.

The process is known as The Transportation-Land Use Cycle (sometimes referred to as "induced traffic"). The widening of a road, in an effort to alleviate traffic congestion, could increase congestion in the long run. For example, a new road is constructed that modifies the accessibility of an area. This, in turn, makes the land more valuable and commercial development occurs. The new development is a destination and traffic volumes increase on the new road. In most cases, the new development will be of the strip-development type with many closely-spaced access driveways. The numerous access points exacerbate the problem with vehicle turning movements into and out of the commercial development. The result is reduced speeds, traffic delays, accidents, motorist anxiety, and a lower level of



service (Vergil G. Stover and Frank J. Koepke; Transportation and Land Development; 1988.). The cycle is completed when the increased traffic demand necessitates further roadway improvements, which is very costly in terms of right-of-way acquisition. The cycle can be broken if travel demand patterns are altered (land use policy) or capital investments in transportation are allocated in a different manner. The Transportation-Land Use Cycle is illustrated below.

*The Transportation-Land Use Cycle, (Stover and Koepke, 1988)*



It is becoming increasingly evident that streets and roads serve a mix of essential transportation, social, and economic functions. Accommodating motor vehicles is essential. Nevertheless, it is just one piece of the land use and transportation picture that also includes pedestrian and bicycle, mass transit, quality of life, and compact, urban development considerations. It is also clear that streets and roads have two competing purposes – property access and mobility. A street that has property access as its primary function will not move traffic very well; likewise, a road that is intended to move traffic, such as a so-called limited access highway, will necessarily sacrifice convenient property access to mobility. It is necessary to make choices about our transportation system in order to improve its efficiency and effectiveness in a comprehensive fashion.

### **Pedestrian and Bicycle**

Vision: The City of Asheville will have a network of bicycle and pedestrian routes which are safe and provide reasonable transportation choice for its residents as outlined in the Asheville Greenway Master Plan and the City's Bicycle and Pedestrian Plan.

Walking and bicycling are indicators that urban growth is occurring in a pattern that promotes livable communities. Only recently have we begun to realize the benefits and the connection between bicycle friendly and walkable environments, street life, and livable communities.

The City of Asheville is experiencing rapid growth in population that has burdened the existing transportation network and created an unfriendly environment for walking and bicycling. Long-range land use planning presents opportunities to rethink how communities develop to meet the needs of mobility, access, activity and choice.

Walking is the most basic form of transportation. Everyone is a pedestrian, even if only traveling from a parking space to a building. Walking is frequently the quickest means of transport in an urban area. Asheville's Downtown has urban structure that is conducive to walking and bicycling, as do the residential districts, including the western and northern portions of the City. These areas possess pedestrian facilities that allow safe, comfortable travel by foot. Additionally, the land use

pattern of these areas is a mix between residential, commercial, and office, which encourages trips to be completed by foot or bicycle.

Translating these principles into land use policy has already begun with the establishment of the urban village districts. These districts should continue to be encouraged, based on the utility to the pedestrian and bicyclist. A mix of land uses encourages pedestrian activity and provides a "park once" option with access to numerous services.

Bicycle and pedestrian travel will be encouraged with the continued construction of pedestrian and bicycle facilities, including sidewalks, curb extensions, bicycle lanes, and bicycle parking racks. Land use is an integral component of transportation need and modal choice. Mixed use, densification, nodal development, and proximity are key concepts creating land use that encourage bicycle and pedestrian travel.

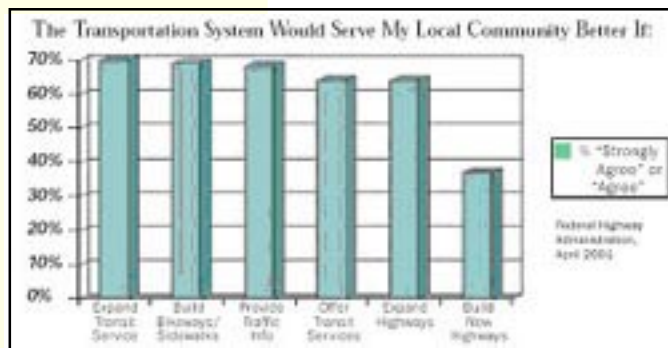
### Public Transit

Public transit is an important component to the urban transportation system. Asheville's





transit system provides approximately 1,000,000 rides per year, offering a valuable service to the community of Asheville. Asheville's topography places serious constraints on its transportation network. Existing roadways are not well connected and, in many cases, are constrained from being widened. Consequently, the usual traffic engineering solutions to the problem of roadway congestion are not available. It is necessary to rely more heavily on the transit system to overcome these obstacles in order to relieve congestion. The following graph illustrates results survey results conducted by the Federal Highway Administration, and the Atlanta Regional Commission. Public transportation is seen as the most effective method to improve the transportation system.



The topographic constraints of Asheville transportation system present some positive aspects for transit service. The major transportation corridors are oriented similar

to the cardinal points on a compass, which provides the framework for high frequency transit routes. These corridors converge in Downtown Asheville creating an ideal destination and transfer point. Moreover, the north-south corridor (Hendersonville Road through Downtown Asheville connecting to Merrimon Avenue) and Patton Avenue and Haywood Road in West Asheville have the potential for enhanced fixed route transit service. Map 1 (page 97) indicates the employment density for the City, illustrating the potential for transit to effectively and efficiently serve employment centers.

Land use patterns and site design play significant roles in the effectiveness of transit service. Low-density commercial and residential land use patterns reduce the ability of transit to serve patrons in a timely cost effective manner. Transit requires moderately high residential densities in order to operate efficiently. Technical studies have determined that a minimum density of between 8 and 16 dunits an acre is necessary for optimum transit performance. Very few areas in Asheville have this level of density, as illustrated on Map 9, although the proposed Smart Growth develop-

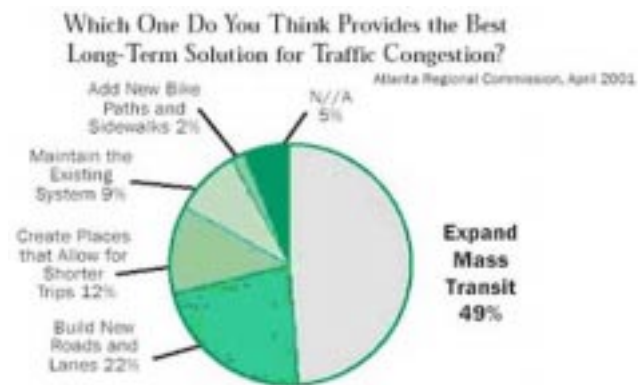
ment pattern has the potential of resolving this to some extent along the City's major transportation corridors. Map 14 (page 152) illustrates this future development pattern.

In addition to the density issue, transit faces a major public perception problem. It is less convenient than the personal automobile, and most people believe that transit is the mode of transportation choice only for the poor. These perceptions need to be overcome through effective route management, public education campaigns, attractive and convenient transit shelters, and improving the transit-riding experience. The Transit System has implemented a number of improved routes to enhance rider convenience, has added bicycle carriers to its buses in order to link two modes of transportation, and is working on the provision of more transit shelters and benches. However, substantial changes need to occur in order to increase ridership to the extent necessary to address congestion problems throughout the transportation network.

Similar in concept to the urban village, Transit Oriented Development (TOD) is a strategy to locate services and residential land use around a

transit stop. The transit stop is located centrally with a mix of land uses within a comfortable walking distance. The inclusion of residential and commercial land uses creates an origin and destination location that is strongly coordinated with the transit system.

Mass transit is an important component of an urban transportation system. Its success is closely related to land use patterns and policies. Nodal type development that incorporates a mix of land use will promote transit use, in addition to the provision for transit stop amenities. Mixed-use and higher density commercial developments should be encouraged through land use policy and standards. A number of factors are needed to create transit



"Streets and their sidewalks, the main public spaces of a city, are its most vital organs."

*Jane Jacobs; The Death and Life of Great American Cities*

supportive land use and increase ridership, including improvements to the transit

system. The overall objective is to increase the utility of transit and continually enhance the quality of life in Asheville.

### Gateway Corridors

Gateway road design is discussed in greater detail in the Land Use and Transportation section; however, it merits consideration as an important component of the overall transportation vision for this community. Asheville is served by a number of five-lane highways, such as Hendersonville Road and East Tunnel Road. This roadway design places a premium on property access at the expense of mobility. The result, as clearly evidenced by Hendersonville Road, is a strip commercial development pattern that contributes to traffic congestion and creates safety concerns due to an unlimited variety of turning movements.

This type of road design is entirely appropriate in some circumstances. As mentioned previously, property access is one of the two major

functions for the road network. However, this design is totally inappropriate for major mobility corridors. It is extremely important, in an area as limited by topography as Asheville is, that we preserve these key corridors for the mobility function by adhering to the gateway design concepts.

### Summary of Transportation Vision

Asheville has enormous potential to enhance its transportation system. The citizens of Asheville have stated the character of urban structure they desire. The **2025 Plan** lays a foundation for future development that supports multimodal travel, providing the citizens of Asheville with an enhanced variety of transportation options.

## Affordable Housing

North Carolina's only president, Andrew Johnson, noted the connection between having a home and good citizenship in 1872. Little has changed since that time. Many of the social problems that plague our region, state and nation can be traced to the struggle - often unsuccessful - to find safe, decent and affordable housing.

Affordable housing is one of the most pressing problems facing the City of Asheville. There is a growing gap between the incomes of City residents and the price of available housing in the City. The City's Sustainable Economic Development Strategic Plan listed **lack of affordable housing** as the number one economic development problem for the community, recognizing the connection between affordable housing and economic development. In a community with declining employment in traditional industry, with many people willing to be underemployed in order to live in a high-quality region, and with an increasing percentage of students and retirees making up its demographic base, it would be unusual if housing affordability was not a problem for our community.

Just what is affordable housing? The most typical definition is that housing is affordable when it costs no more than 30 percent of gross household income. These costs can be either rent or homeownership PITI (principal, interest, taxes and insurance). The following table illustrates what constitutes affordable housing for a four person local family with below median income.

For a four-person household:		
Income Level	%AMI	Max. Affordable Monthly Housing Cost
Moderate	80-100%	\$980-1225
Low	50-80%	\$613-979
Very Low	30-50%	\$368-612
Extremely Low	<30%	\$0-367
AMI= Area Median Income (\$46,800 for Asheville MSA)		

Asheville has the most expensive housing of any metropolitan area in the state, both in

"Without a home there can be no good citizen. With a home there can be no bad one."

*Andrew Johnson as quoted by George L. Tappan in  
Andrew Johnson, Not Guilty; May, 1872  
from Power Quotes by Daniel B. Baker (1992)*





absolute expense and expense relative to median income. The following tables illustrate these facts. The Coldwell Banker Annual Housing Cost Study for the year 2000 indicates that a house costing \$150,000 in Asheville could be purchased for \$116,000 in Greensboro. Note also that Asheville ranks 121 out of 191 MSAs (Metropolitan Statistical Areas) in the country. This means that there are 120 urban areas in the U.S. that have less expensive housing than Asheville and only 70 that are more expensive.



Coldwell Banker Annual Housing Cost Study, 2000

The rental picture in Asheville is also problematic. In 1998, renters had to earn \$11 per hour

Asheville: Least Affordable Housing in NC				
MSA	Index	Median Income	Median Sales Price	National Ranking (out of 191)
Greensboro	83.2	\$56,000	\$125,000	26
Greenville, NC	81.5	53,200	116,000	37
Fayetteville	80	43,700	95,000	52
Goldsboro	76.4	45,300	108,000	77
Rocky Mount	76.4	48,800	106,000	77
Raleigh/Durham	75.6	71,300	162,000	84
Charlotte	73.7	64,100	153,000	92
Asheville	67.2	49,000	127,000	121

National Assoc. of Homebuilders; First Quarter 2002

to afford a two-bedroom apartment at the HUD "Fair Market Rent"; but only 44% of area jobs paid this much (Source: **Consolidated Plan 2000-05**). Additionally, the area rental vacancy rate is only three percent which means that landlords, not tenants, dominate the rental market. Few apartments are actually available at or below "Fair Market Rent". Fortunately, the City has recently approved several large apartment projects and they will help reduce the market disparity, although none of these projects are specifically targeted to the lower income ranges.

One response to a lack of permanent affordable housing to buy or rent is to turn to the mobile home market. This sector is extremely active in our area: more than 50% of new homes in Buncombe County outside Asheville are mobile homes (Source: ***Consolidated Plan 2000-05***). On rented land, the owners are effectively tenants with little or no security of tenure. The value of their units depreciates over time and they build neither equity for the owner nor tax base for the community. Badly sited or poorly maintained mobile home parks may actually erode the tax base and the quality of life of residents and neighbors. Furthermore, they contribute to the sprawl development pattern and put some of the most vulnerable members of society far from the jobs and services they need and where their only transportation option is the automobile.

Institutional resources to address the affordable housing issue are relatively well organized and effective but operate on a limited scale compared with the extent of the problem. These resources include:

#### **Local Public Resources**

- City of Asheville Community Development Division – This City division administers federal HOME and CDBG funds for the City of Asheville and the Asheville Regional Housing Consortium. As indicated by the following table and graph, this division supports a comprehensive range of affordable housing programs, including rehabilitation, new construction, and down payment assistance.
- City of Asheville Building Safety Department - This City department administers a comprehensive and highly effective housing code program that provides regular inspections and requires necessary upgrades to ensure that the City housing stock is safe and well maintained.
- Asheville Housing Authority – Guided by an administrative board appointed by the Mayor of Asheville, the Housing Authority operates and manages public housing and Housing Choice Voucher (Section 8) programs and acts as an entrepreneurial hous-

“So long as one-third of us rent, and so long as many renters are too poor to afford their own home, the foundation of any healthy neighborhood must include an array of affordable, decent, attractive rental housing stock.”

*National Neighborhood Coalition Voice* - January 2002



ing developer with a focus on the very low income population.

City Assisted Affordable Housing Production				
Activity	97-98	98-99	99-00	00-01
Homeowner rehab	49	52	49	61
Rental rehab	24	54	18	155
New S/F Homes	16	17	20	31
New Rental Units	44	98	5	100
Downpayment	2	19	14	6
Relocation/Rent	0	0	0	47
Total Production	135	240	106	400

#### Regional Public Resources

- Asheville Regional Housing Consortium – This four county consortium (Buncombe, Henderson, Madison and Transylvania counties) was created in 1992 to receive and distribute HOME funds in a coordinated fashion to address regional affordable housing needs.
- Land of Sky Regional Council – This regional agency provides technical assistance to access a wide range of affordable housing grants and programs.

#### Non-Profit Resources

There are a wide variety of non-profit agencies and organizations focused on increasing the supply of affordable housing and helping low-income people access existing housing.

- Mountain Housing Opportunities
- Neighborhood Housing Services
- Habitat for Humanity
- WNC Housing
- Riverfront Development
- Eagle Market Streets Development Corp.
- Affordable Housing Coalition
- Hospitality House
- Self Help Credit Union
- Pisgah Legal Services
- Consumer Credit Counseling Services

#### For-Profit Resources

There is an increasing interest on the part of the private sector in providing affordable housing opportunities, primarily for moderate-income persons. The City of Asheville is supporting these efforts through fee rebates, our local Affordable Housing Trust Fund, development incentive and regulatory streamlining programs, and technical assistance.

## Employer Resources

Mission-St. Joseph's Hospital has initiated a program intended to provide housing for qualified employees. Given the economic implications of the lack of affordable housing in our area, we can expect other large employers to examine this technique of attracting and retaining employees.

## Funding Sources and Control

### Local Control

- CDBG and Section 108 Loan Guarantee
- HOME
- Housing Trust Fund
- Fee Rebates

### State Control

- Low Income Housing Tax Credits
- Historic Rehabilitation Tax Credits
- HOME (rental production)
- State Housing Trust Fund
- CDBG (outside Asheville)

### Federal Control

- Economic Development Initiative
- Supportive Housing Grants (homeless)

- Section 811 (people with disabilities)
- HOPWA (people with AIDS)
- Public Housing grant support
- Housing Choice Vouchers (section 8)
- Others: Private foundation grants, FHLB, Fannie Mae

Despite this wide array of organizations and financial resources set up to address the affordable housing problem, lack of affordable housing persists. Challenges to addressing the problem include:

- Declining federal funding
- Increasing land and housing prices
- Limited amount of multi-family-zoned land
- NIMBY (not in my backyard) opposition to affordable housing
- Limitations in state law on local governments' freedom to develop local solutions
- Structural problems of serving the very low income population

"One thing is certain, if we don't address the shortage of affordable housing, Asheville will increasingly become a city of haves and have-nots, a place where young people, the next generation of leaders, can't afford to live. That's a prospect that brings with it, among other ills, an inadequate labor force and increased crime. And that's something Asheville can't afford."

*Asheville Citizen-Times editorial, February 17, 2002*





These obstacles must be overcome for both humanitarian and economic development reasons. The City of Asheville has a huge problem in providing sufficient housing affordable to many of its citizens. It will require a comprehensive and coordinated effort, creative use of existing programs and regulations, strong leadership and political courage, and an open and inclusive attitude of the part of its citizens to address this problem in an effective way.

### **Affordable Housing Goals and Strategies**

The following goals and objectives for affordable housing are established based upon trend analysis, community input, and specific reports adopted by the City of Asheville.

**Goal I. Continue to implement the goals and strategies of the Consolidated Housing and Community Development Plan 2000-2005 and its updates.**

**Goal II. Continue to fund the City of Asheville Affordable Housing Trust Fund and work toward the establishment of a countywide affordable housing trust fund.**

**Goal III. Explore the full range of zoning tools necessary to increase both the supply of affordable housing and the compatibility of such housing with existing neighborhoods and community development patterns, including development incentives, code streamlining efforts, neighborhood design standards, and inclusionary zoning practices.**

Strategies:

1. Pursue, individually or in concert with other local governments, legislative authority to implement inclusionary zoning regulatory tools at the local level.
2. Develop and implement changes to existing regulations to provide incentives for the construction of affordable housing and insure that these incentives are effective, equitable and certain.
3. Insure that zoning incentives for the construction of affordable housing are balanced by careful attention to good site design, construction quality, and good neighborhood compatible housing design.

4. Continue to provide permit and tap fee rebates for affordable housing and regularly evaluate the effectiveness of such.

**Goal IV. Insure that affordable housing programs and projects are consistent with Smart Growth and Sustainable Economic Development objectives and policies.**

Strategies:

1. Review every City-assisted affordable housing program and project for consistency with City of Asheville Smart Growth policies.
2. Target City assistance to encourage housing developments that have good access to transportation infrastructure (transit, bike lanes, sidewalks) and services; including the preservation of affordable downtown housing.
3. Review and evaluate updates to the Consolidated Plan with regard to Smart Growth and Sustainable Economic Development objectives and policies.

**Goal V. Address the affordable housing problem in a coordinated and comprehensive fashion by allocating available resources to address both the supply and demand sides of the affordable housing issue, as well as promoting public education about the extent of the problem.**

Strategies:

1. Advocate for and support efforts to increase earnings in the region to a level where Fair Market Rents are affordable to all working people.
2. Identify and support regional efforts to increase the supply of affordable housing, including employer-provided programs.
3. Provide financial and organizational support for non-profit housing developers and financial support for affordable housing produced by for-profit developers.
4. Develop and implement a public education program targeted at improving public awareness of the extent of the affordable housing problem and addressing neighborhood compatibility concerns.



5. Evaluate the effectiveness of an affordable housing bond issue in order to direct more immediate influx of resources to this critical community need.
6. Evaluate and promote the effectiveness of tax credit programs that encourage the provision of more affordable housing, including providing an appropriate level of technical assistance to person considering this financial tool.

**Goal VI. Enforce the City's minimum housing code program as a means of ensuring continued good maintenance and safety of the City's housing stock, including affordable housing.**





## Tax Equity

An important issue facing the City of Asheville is tax equity. Asheville is a regional hub of commerce, but it is also the medical, government, and cultural hub of western North Carolina. It contains institutions like UNC-A, Asheville Buncombe Technical College, Mission-St. Joseph's Hospital, numerous large and small churches, public schools, and nontaxed retirement/life care facilities such as Givens Estate and Deerfield. Almost 20 percent of the land in the City is nontaxable as a result. Of the City's ten largest employers in 2000, seven are tax exempt.

**Largest Employers in the Asheville Area**

EMPLOYER	NUMBER OF EMPLOYEES
Mission-St. Joseph's Health System	5,250
Buncombe County Board of Education	3,650
Buncombe County Government	1,450
City of Asheville Government	1,237
Community Care Partners	1,200
Veterans Administration Hospital	1,000
Ingles Markets	900
Biltmore Company	900
Grove Park Inn	891
Asheville City Schools	722

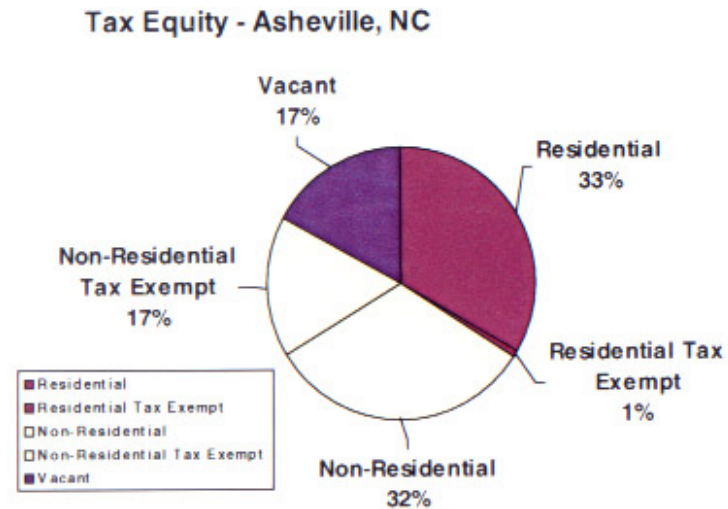
Source: Asheville Area Chamber of Commerce  
May include part-time or seasonal employees

Compounding this problem is the fact that a considerable amount of nonresidential land in the City is underutilized as evidenced by Map 5 (page 5). This map illustrates the ratio of the value of improvements to developed land to the value of the underlying land. If this ratio is less than 1.0, it means that the improvements to the land are assessed at a value less than the land itself (i.e., the buildings are worth less than the land). This represents an underutilized development situation. Note that many commercial corridors in the City - Patton Avenue, Tunnel Road, and Merrimon Avenue, for example - have a significant amount of underutilized property.

This is reflected in taxes paid by the residential and nonresidential sectors of the City. The following pie chart indicates the percent of taxes paid by the residential and nonresidential sectors of the City. When this is compared with the total land area devoted to each use sector, the following results are noted. In 2000, residential neighborhoods contributed 56.5% of City property tax revenue, yielding \$1,487/acre and nonresidential uses contributed 43.5% of City property taxes, yielding only \$1,152/acre. (Source: City of Asheville Budget Office)



The situation argues strongly for a Smart Growth solution. If we are to reverse the trend of the tax burden falling more heavily on the residential sector, we need to provide incentives for nonresidential areas to be redeveloped at a higher level of intensity and at a higher level of quality. A Smart Growth development pattern and development regulations can provide such incentives. The Smart Growth Partners of Western North Carolina interview with urban village developer Jackson Ward in Appendix B illustrates how significantly a Smart Growth development pattern can benefit the City's tax base, while simultaneously providing a much more attractive and functional option to the current development pattern.



Source: City of Asheville Budget Office

## Development Tools

### Annexation - Purpose and Policy

Annexation is a process through which cities are able to grow by incorporating surrounding areas that meet a State-law definition of being developed for urban purposes. The authority for North Carolina cities to annex is both granted by and closely controlled by the North Carolina General Statutes.

State policy for granting cities the ability to grow by annexation is stated in the annexation statutes:

1. Sound urban development is essential to economic development;
2. Municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in urban or urbanizing areas;
3. Municipal boundaries should be extended in accordance with legislative standards applicable throughout the State to urban and urbanizing areas to provide high quality governmental services.



Implied in the statutes is that cities are the best units of government to provide an urban level of service, and that annexation is good for the fiscal and social health of cities. Additionally, annexation benefits the residents of the areas being annexed because it allows them to participate in the dominant local government affecting their lives.

### Process

After identifying surrounding areas that have become urban or in the process of becoming urban, the City Council may adopt resolutions stating that certain areas are under consideration for annexation. This “resolution of consideration” serves to put interested parties on notice that annexation is being considered for these areas. This step is not required by State law, but benefits the public by providing advance notice of the City’s intentions. It also benefits the City by permitting a faster annexation process once the resolution has been in effect for at least one year. Resolutions of consideration stay in effect for two years, but may be renewed.

Cities may only annex areas that meet the

standards in the annexation statutes, which establish specific criteria for what is considered urban. The first step in the actual annexation process is adoption of a “resolution of intent” by the City Council. This resolution starts a series of steps in the annexation process, and sets dates for an informational meeting and for a public hearing to allow the City to explain the annexation and to provide the opportunity for concerned persons to comment on the annexation. As part of the process, the City is required to develop a plan for extending City services to the annexation area. These services are to include police and fire protection service, extension of water and sewer main lines, street maintenance and solid waste collection. Finally, the City Council completes the annexation by the adoption of an annexation ordinance for delineating the specific area to be annexed. Upon the effective date of the annexation ordinance, the annexation area is entitled to City services, and is subject to City regulations and taxation.

## History

Since being incorporated as a town by a legislative act in 1797, the City of Asheville has

grown from a size of 0.10 square mile to almost 42 square miles in 2002. Annexation has occurred in several ways. First, several major expansions were done by legislative acts as recently as 1979. However, since 1959 when the State legislature enacted the “standards and services law” enabling cities to grow by “involuntary” annexation, most growth has occurred as annexation under this law. Another significant method of annexation has been “petitioned” annexation. Under this method, property owners request annexation. These petitions are typically made to obtain City services or to obtain City alcoholic beverage control privileges. The most active period of annexation by the City of Asheville was from 1973-98. During this period the City annexed 22 areas, including Chunn’s Cove, Haw Creek Valley, Oteen area, Beaverdam Valley, Brevard Road area and the West area. These annexations added a total area of almost 9,000 acres or 14 square miles. It should be noted that while some of these major annexations took place in the 1990s, none were initiated in that decade. The year 1999 marked the first time in the 1990s that the City undertook a significant involuntary annexation effort.

Some interesting events in the City's annexation history include the annexation of West Asheville in 1917 by referendum, the annexation moratorium of 1975-79, and the 1979 act of the legislature annexing the airport area.

### **Current Annexation Program**

After a period of relative inactivity in the late 1990s the City has initiated a regular program of annexations for each of the last two years. This annexation program is designed to target urban areas with existing water and sewer service, to eliminate isolated pockets of urban development surrounded by the City that are not in the City, and to improve the City boundary so that it follows more logical features and is easier for citizens and service delivery departments to identify. This program is also intended to target areas with a high degree of existing urban development and to geographically balance City growth.

Typically citizens and property owners being annexed benefit from a higher level of police and fire protection, street maintenance services and solid waste collection services than avail-

able to County residents. In addition, areas lacking public water and sewer service also receive extensions of these services and, importantly, areas with insufficient water flow for fire protection receive upgraded water lines capable of supporting fire hydrants with adequate flows.

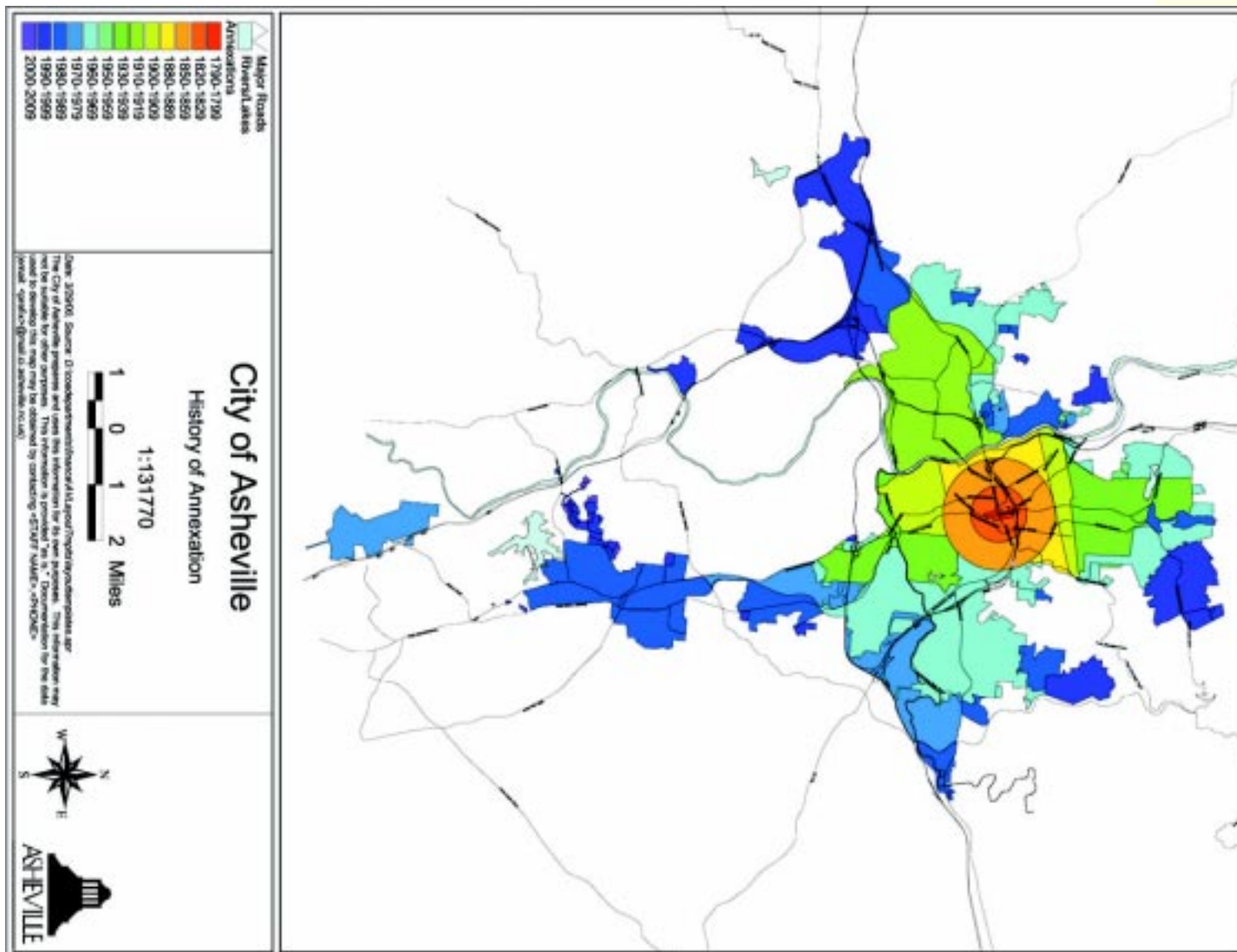
### **Future Annexation Plan**

Significant urban growth is expected in many areas surrounding the current corporate limits, particularly in areas with favorable topography, good road access, and existing utilities or potential utility service. Steep mountain ridges effectively contain growth areas by forming boundaries to all but very low density development patterns, and by limiting the extension of gravity flow sanitary sewer lines.

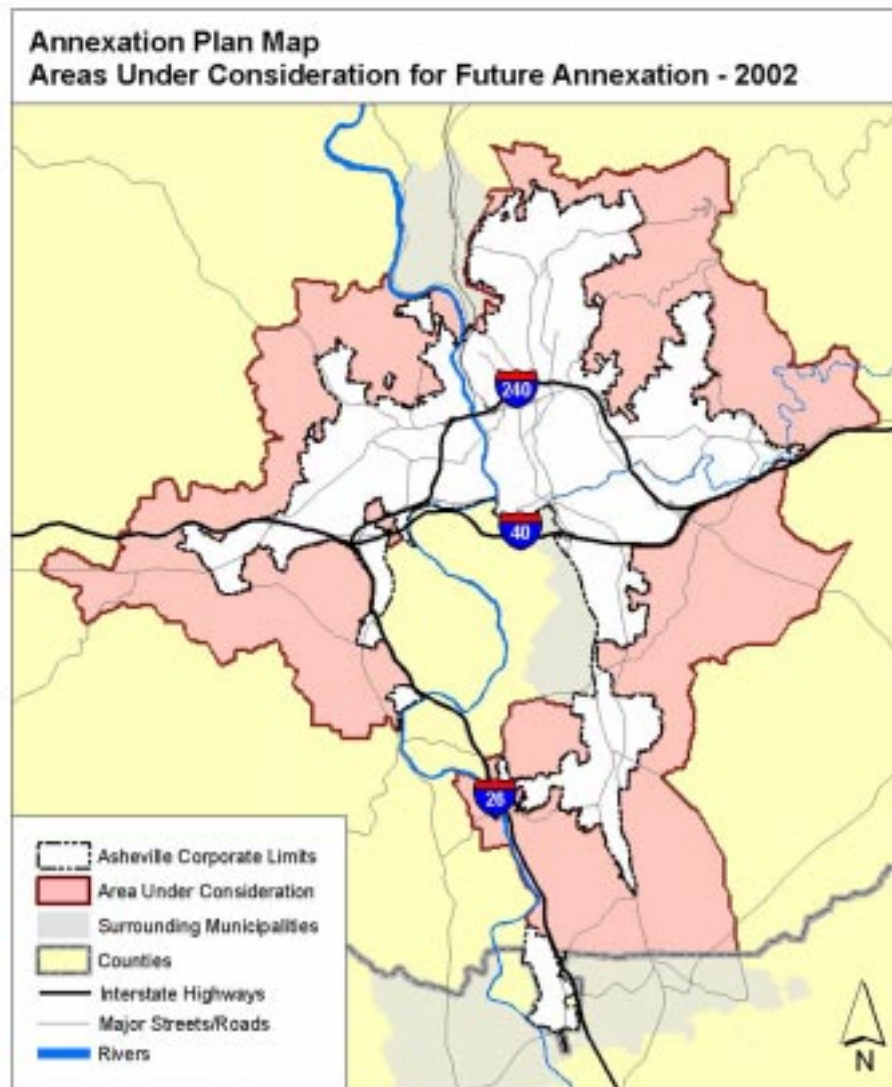
Areas expected to sustain urban growth in the planning period are shown on the Annexation Plan Map. This map was adopted in 2002 and indicates acres that have the potential for future annexation. Specifically, State law provides for the first step in the annexation process to be adoption of a resolution of consideration delineating an area within which



Map 2



Map 3



the City is likely to consider annexation. The Annexation Plan Map is intended to support and define the area of consideration.

### Extraterritorial Jurisdiction (ETJ)/Joint Planning Area (JPA)

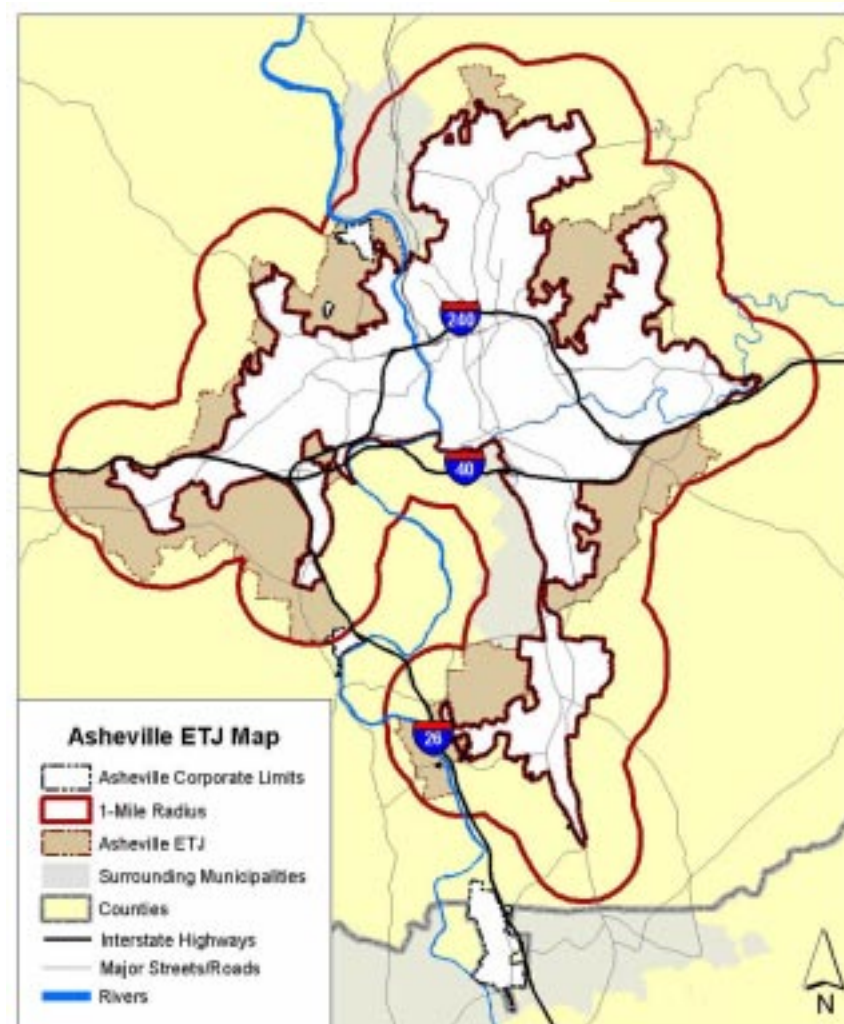
All powers granted by the Land Use and Planning Regulation chapter of the North Carolina General Statutes to municipalities may be exercised within a defined area not more than one mile beyond their corporate limits. In addition, with approval of the county commissioners of the applicable county, cities of 25,000 or more in population may exercise these powers up to three miles beyond their corporate limits. Such areas outside the city limits are referred to as the extraterritorial jurisdiction or ETJ. However, extension of a city's ETJ is not permitted into any area in which the county government is enforcing all three of the following development review requirements – zoning regulations, building codes, and subdivision regulations.

There are several reasons for permitting cities to extend land use planning jurisdiction outside

Map 4

of their corporate limits. Simply stated, these surrounding areas are the future city in a growing urban environment. As they develop, the application of city development regulations insure that the urban development is compatible with the existing city and that adequate infrastructure is put in place as these areas develop. Without the regulations being in place at the time of development, it could become very difficult, if not impossible, to retrofit such development with the necessary infrastructure, and ensure a compatible development pattern at the time it becomes part of the city.

In recognition of these facts, the City of Asheville has long maintained up to one mile of ETJ, although it has never been granted permission from the Buncombe County Commissioners to exceed one mile. The ETJ Map shows the current extent of the City of Asheville's ETJ. As shown on the map, Asheville's ETJ does not reach one mile in all directions. It is limited by the towns of Woodfin and Biltmore Forest, and by the fact that Buncombe County is enforcing zoning, subdivision regulations and building code enforcement in the portions of the Beaverdam and Limestone Townships outside of the City of Asheville's corporate limits.



It is important to note that while a primary purpose of ETJ is to prepare urbanizing areas to be part of the adjacent city, there is no direct link between ETJ and annexation. Many areas within an ETJ area may never be annexed; for example some areas have been in the City of Asheville's ETJ unannexed for over 20 years. In areas such as these, ETJ serves the purpose of protecting the City's gateways and periphery from inappropriate or incompatible development. Neither is ETJ a prerequisite to annexation; the City of Asheville has annexed several areas in recent years that were never in the City's ETJ.

As to the powers that may be exercised within a city's ETJ, virtually all pertain to land use planning and development regulation, except some nuisance abatement codes may apply. Perhaps the most important of these are zoning, land subdivision regulation and building code enforcement. In Asheville's case, it does not currently enforce building code regulations in the ETJ, leaving this job to Buncombe County.

Other powers that may be exercised in the ETJ area (provided that a city may not enforce any regulation in its ETJ that it is not exercising within its corporate limits) include: historic

preservation, sign regulation, junked car regulation, farmland preservation, nuisance limitation, housing codes, road right-of-way protection, economic development activities, watershed protection, storm water runoff regulation, mountain ridge protection and erosion control.

In lieu of the City continuing to expand its ETJ, the City and Buncombe County have been working since October 2002 to create a Joint Planning Area (or JPA) in a roughly one mile ring around the City limits. The JPA would be an area in which the City and County would jointly regulate development activities in accordance with an interlocal agreement. Under this agreement, the Asheville City Council and the Buncombe County Board of Commissioners would jointly establish development requirements for the JPA. Day-to-day administration of these requirements would be the responsibility of Buncombe County. A Board of Adjustment with appointees from City Council, Board of Commissioners, and County Planning Board would consider conditional use permits, planned unit developments, variances and appeals. Any changes to the development requirements or the area(s) to which they would apply would require approval by both the Asheville City Council and the

